



AGENDA

BOARD OF TRUSTEES MEETING

June 23, 2005, 10:00 a.m.

UCIP Building, 5397 S. Vine Street, Salt Lake City

10:00	Call to Order	Dan McConkie
	Review of Board Members Absent	Dan McConkie
	Approval of June 3 Minutes	Dan McConkie

ITEM INFORMATION

1	Benefits Pool Feasibility Study	Ann Thomas Lawrence Wiscombe
2	Chief Executive Officer's Report	Lester Nixon

ACTION

3	Approve Joint Policy County Representation To UCIP	Lester Nixon
4	Approve Revised Planning Document	Lester Nixon
5	Ratification and Approval of Payments and Credit Card Transactions	Lynn Lemon

12:00 Lunch Provided

Other Business: Location of 2006 Board Retreat

Next Meeting, August 18, 10:00 a.m., UCIP Building

1:00 Adjourn



Utah Counties Insurance Pool

Serving Counties Since 1992

BOARD OF TRUSTEES MEETING

MINUTES

June 23, 2005, 10:00 a.m.
UCIP Building, Salt Lake City, UT

BOARD MEMBERS PRESENT

Dan McConkie, *President*, Davis County Commissioner
Lynn Lemon, *Vice President*, Cache County Executive
Ken Bischoff, Weber County Commissioner
Steve Baker, Davis County Personnel Director
Kay Blackwell, Piute County Commissioner
Jerry Grover, Utah County Commissioner
Ed Phillips, Millard County Sheriff
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

BOARD MEMBERS ABSENT

Jim Eardley, Washington County Commissioner
Ira Hatch, Emery County Commissioner
Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner

MEMBERS PRESENT

Steve White, Utah County Commissioner

OTHERS PRESENT

Lester Nixon, Chief Executive Officer
Sonya White, Manager of Administration
Mark Brady, Loss Control Manager
Korby Siggard, Claims Manager
Brody Parker, Safety Specialist
Ann Thomas, Marsh Risk & Insurance Services
Lawrence Wiscombe, Marsh Risk & Insurance Services
Steve Sterling, Marsh Risk & Insurance Services

Call to Order

Dan McConkie called the meeting of the Utah Counties Insurance Pool Board of Trustees to order at 10:00 a.m. on June 23, 2005. Dan welcomed those in attendance.

Review of Board Members Absent

Jim Eardley requested to be excused from this meeting due to medical reasons. Ira Hatch requested to be excused from this meeting due to a meeting conflict. Gene Roundy is out of state and requested to be excused from this meeting. Steve Baker made a motion to excuse Jim Eardley, Ira Hatch and Gene Roundy from this meeting. Ed Phillips seconded the motion, which passed unanimously.

Approval of June 3 Minutes

The minutes of the Board of Trustees meeting held June 3, 2005 were previously sent to the Board Members for review. Steve Wall requested that under item **Approve Code of Ethics Policy**, page two, the first sentence read: *Lester Nixon explained that as part of the 2004 audit, Larson and Company recommended that UCIP adopt a Code of Ethics Policy (see attachment #6) and that each UCIP employee annually (by July 15) affirm reading and agreeing to the policy.* Steve Wall made a motion to approve the June 3 meeting minutes as corrected. Ed Phillips seconded the motion, which passed unanimously.

Benefits Pool Feasibility Study

Marsh Risk and Insurance Services representative Ann Thomas, along with Steve Sterling and Lawrence Wiscombe (available to answer questions), reported the details of the feasibility study conducted at the request of the Board of Trustees for a Benefits Pool to offer to their members (see attachment #1). Ann presented the Peer Group Observations (survey results). The information gathered from the counties resulted in: a potential pool size of 3750 employees; two-thirds surveyed had a high interest level and one-third had a mid-interest level; the driving interest factor was cost containment and more options for employees (choice); 63% of respondents' current plan design is a Preferred Provider Organization (PPO); and one-half are self-funded. With these results the Board's Benefits Committee agreed with the recommendation to go forward with the feasibility study. Once the survey results were compiled, the data gathered from the current vendors was compiled for the initial financial analysis and plan design comparisons.

The factors that will make up a successful pool is network access (goal is 100% access), plan design flexibility, evaluation of risk and long-term viability. Ann continued by reviewing the trends in healthcare: double digit increases continue; cost shifting such as Health Savings Accounts (HSA) and consumer driven plans (employees now pay more of the costs); and an increase in the concept of pooling. The results of the feasibility analysis reveal a foundation on which to form a Health Insurance Benefits Pool for members of UCIP. The key findings were: 1) consensus on main objectives of a benefits pool; 2) Over one-half of the counties have the same plan design (while varied the plan designs offered no surprises); 3) viable network options; 4) potential for substantial claim savings through control and plan design options (short term costs may be offset by long term savings); and 5) design and participation will impact financial success. A pool only makes sense if the plan design makes sense. Marsh's plan design analysis included the historical options, carriers and networks currently offered/used by the counties (a comparison of current designs). UCIP's goal should be 100% access to providers, no matter the employee's location. Every county offers a PPO plan that offers out of network benefits. This is not the most effective way to control costs. The comparison of current designs (page 17) is based on individual, not family, costs. The perception of the employee is, ~~benefits~~ ^{that} ~~and if they will be taken away if the employee changes to a new pool.~~ The size of the pool dictates the possible options for possible future designs.

To be viable, the pool size should be 2000-4000 employees. The pool would offer up to three benefit plan options for counties to select: 1) Health Maintenance Organization (HMO) - \$0 deductible, no non-network benefit; 2) PPO - low-mid deductible (\$250-\$300), non-network benefit; and 3) High Deductible Health Plan (HDHP) - High deductible (\$1100+), HSA compliant (Garfield and Kane Counties have a HDHP). An \$1100 deductible was estimated for the next two years inflation.

The access/network analysis was conducted to make sure there are viable markets for the Pool. Viable markets are available offering up to 100% access. Detailed analysis occurs in phase two. The financial analysis was based on the experience of both fully insured and self-funded counties. The assumption was that the Pool would not pay any "run-out" (claims average a lag time of three to six months) so Incurred But Not Reported (IBNR) claims are not included in the financial analysis. Lester Nixon noted that self-insured counties should have a six month payout reserve on their books under Government Accounting Standards Board (GASB) regulations.

Ann continued that potential fixed costs were projected because determinations such as administrator, plan design and enrollment will be decided in phase two. The larger the pool the better stop-loss point and lower carrier costs. Third party administrators will run a statewide pool where service is not based on size and/or geography. The goal is to find a balance (break even point) of the pool. Page 23, Medical Cost Comparison, charted the impact of enrollment and plan design on estimated claims. Current medical plans show a 2004 annual cost of \$26,650,000 for 21 employers (3,750 employees). Using 2004 experience as the base year, the long term impact of a benefits pool increases approximately five percent during the next five years. Counties will be better off in five years because the pool is a different concept than current carriers that raise premiums if a county has a bad claim year and do not decrease premiums for a good claim year.

Pools receive rebates from pharmacy managers, approximately \$300,000 a year for an anticipated pool the size of UCIP's. These monies, as well as future surplus, can be used to offset costs and future increases to the members. Self-insurers can design and customize plans to fit the needs of their members and have the ability to capture data to control future costs (each member will have access to their utilization). A benefits pool is a decision that requires a long term commitment. It will take three to five years to get the pool up and running.

Lester explained that Marsh was hired to determine whether or not a benefits pool was feasible (phase one). The study concludes that it is feasible. Phase two will allow the Board to finalize plan design, access/network and calculate premiums to market the benefits pool to the counties. At least 2000 employees will need to commit for three years for the pool to be viable. The target date for inception is January 1, 2006. The benefits pool will not be made available for members to reduce health insurance costs, but to control costs. Kay Blackwell made a motion to move on to phase two. Lynn Lemon seconded the motion, which was opened for discussion. Lawrence reported that phase one cost \$40,000. Phase two will cost between \$60,000 and \$90,000 depending on the number of vendors the Board wants to compare and how thorough the market is negotiated. Lester explained that the benefits pool will borrow these monies from the multiline pool. The Board should proceed based on the membership's surveys. If a member decides not to participate, they won't be charged for the study. The cost of the study will be absorbed in operating expenses, if the pool does not receive adequate enrollment. Steve Baker voiced that the cost is too high in the event the Board cannot meet the goals anticipated by the members. Kay amended his motion to adjourn for lunch allowing the Board Members time to ponder the initial motion. Lynn seconded the amended motion, which passed unanimously.

The Board reconvened and Dan McConkie asked if any Board Members had any further questions for Ann Thomas, Lawrence Wiscombe and/or Steve Sterling of Marsh Risk & Insurance Services. There were no further questions so Ann, Lawrence and Steve were thanked and left the meeting. The general consensus of the Board was that the cost of phase two was too high for a pool the size of Utah. Lynn reminded the Board that one of its goals is to explore employee benefits coverage for members. Kay Blackwell said that the smaller counties really need help. Kent Sundberg made a motion to modify the motion to move to phase two and authorize Lester Nixon to negotiate an amount up to \$60,000 for a full-approach to the markets by Marsh Risk and Insurance Services. Ed Phillips seconded the motion, which carried seven/two; Steve Baker and Ken Bischoff opposing.

Chief Executive Officer's Report

Lester Nixon provided the Board with a list of upcoming training opportunities (see attachment #2). The Association of Governmental Risk Pools (AGRIP) Joint Conference with the California Association of Joint Powers Authorities (CAJPA) is scheduled for September 21-23, 2005 in Lake Tahoe but does conflict with the Utah State Association of County Commissions and Councils (USACCC) Meeting. The AGRIP Governance Conference is scheduled for November 14-16, 2005 in San Antonio. The AGRIP Spring Conference is scheduled for March 6-8, 2006 in Tampa. Risk and Insurance Management Society (RIMS) Conference is scheduled for April 23-27, 2006 in Honolulu. The Public Risk Management Association (PRIMA) Conference is scheduled for June 12-14, 2006 in Las Vegas. The AGRIP Governance Conference is scheduled for October 9-11, 2006 in New York City. The RIMS Conference has a larger attendance, more days of training, more technical and is more expensive than PRIMA. Board policy allows for Trustees to attend two of the three (AGRIP and/or PRIMA) conferences per year. The policy would need to be changed to include RIMS.

Lester provided the Board with a copy of the June 6 issue of Business Insurance which Lester was interviewed to discuss, in part, the Board of Trustees Retreat (see attachment #3). The article related to trends identified by Pools through environmental scanning.

Lester reported that the Utah Counties Insurance Pool sponsored a dinner at the Treasurer's Summer Workshop on June 9.

Lester made a presentation to Davis County Leadership on June 15 regarding *A Brief Primer on UCIP*.

Lester reported that he, Steve Baker, Mark Brady, Dan McConkie and Kent Sundberg attended the June 6-8 PRIMA Conference in Milwaukee. UCIP Trustees and staff had a chance to meet with Dave Brooks of the Ohio Pool to discuss their Sheriff's Commission on Accreditation for Law Enforcement Agencies (CALEA) program. Ohio offers both a full accreditation program and a recognition program. Ohio started a benefits pool January 2004 and has not had as much participation (11 out of 50 counties) as hoped but it is a viable pool. Lester also had an opportunity to meet with a catastrophe modeler who will be providing a proposal to the pool to conduct earthquake modeling. The modeling would assist in determining earthquake limits for the 2006 policy.

Lester reviewed the workers' compensation claims summary with the Board (see attachment #4). The summary includes all claims to date and claims development through the first five months of 2005. The total incurred loss ratio for the first five months of 2005 is at 12.8%, which is very favorable. Each claims detail will be provided to the Board during closed session.

Lester reviewed the multiline claims summary with the Board (see attachment #5). The summary includes all claims to date and claims development through the first five months of 2005. The total incurred loss ratio for the first five months of 2005 is at 28.16%, which is very good considering two of the largest property losses in the history of the Pool were experienced this year. Each claims detail will be provided to the Board during closed session.

Approve Joint Policy County Representation To UCIP

Lester Nixon reported that, in an effort to answer questions as relates to the designation of representatives to act on behalf of the county in Pool matters, a joint policy has been drafted for the Board's review and approval (see attachment #6). The Pool member has the responsibility to make appointments for the positions of: Official Representative, Risk Manager, Safety Officer, Insurance Coordinator, and Workers' Compensation Coordinator. The member may appoint one individual to all or any combination of employees in order to fill each position. Lynn Lemon made a motion to adopt Joint Policy County Representation to UCIP as presented and written. Steve Wall seconded the motion, which passed unanimously.

Approve Revised Planning Document

As a result of the Board's June Retreat, Lester Nixon reviewed the changes to the UCIP Planning Document with the Board (see attachment #7). Ken Bischoff made a motion to approve the amended UCIP Planning Document as presented. Kay Blackwell seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Lynn Lemon reviewed the payments made, payments to be made (see attachment #8) and credit card transactions with the Board. Lynn Lemon made a motion to approve the payments made, payments to be made and credit card transactions. Steve Wall seconded the motion, which passed unanimously.

Other Business

Sonya White provided the Board with five location options for their 2006 retreat (see attachment #9). Kay Blackwell made a motion for Sonya White to schedule the Lodge at Stillwater (Wasatch County) for the Board's June 1-2, 2006 Retreat. Kent Sundberg seconded the motion, which passed eight/one, Jerry Grover opposing.

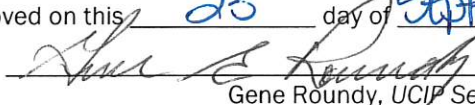
Kay Blackwell questioned whether or not closed meetings are to be recorded. Mark Brady referred Kay to section 52-4-4 of the Utah Code.

Dan McConkie reported that the Utah Association of Counties (UAC) Board of Directors met in Provo on June 17 and discussed the *Items to Address Concerning the Building Agreement* outlined by the UCIP Building Committee. Since Dan was asked to excuse himself from UAC's discussion, the UCIP Board asked Brent Gardner to join this meeting and report on UAC's decision. Brent reported that the UAC Board voted to proceed with the concept of a condominium agreement. A conference call will be scheduled for July so that UAC can review the details, terms and internally decide how to proceed. Dan said that he would like the officers of both Boards and the Building Committee members to meet (possibly July 11 or 12). Brent will coordinate the meeting and contact UCIP for the date and time.

Kay Blackwell made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for June 23, 2005 at 1:53 p.m. Ken Bischoff seconded the motion, which passed unanimously. Lynn Lemon made a motion to conclude the closed meeting to discuss pending or reasonably imminent litigation on June 23, 2005 at 2:15 p.m. Ken Bischoff seconded the motion, which passed unanimously. The Board agreed that claim detail for claims over \$25,000 will be provided to the Board at each meeting starting in August.

The next meeting of the Board of Trustees will be held on August 23 at 7:00 p.m. in Cedar City,

Lynn Lemon made a motion to adjourn this meeting of the Board of Trustees. Ken Bischoff seconded the motion, which passed unanimously.

Approved on this 23 day of September 2005

Gene Roundy, UCIP Secretary-Treasurer

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June 23, 2005

UCIP Benefits Pool Feasibility Study



Marsh & McLennan Companies

Feasibility Analysis

Agenda

- Peer Group Observations (Survey Results)
- Executive Summary
- Plan Design Analysis
- Access (Network) Analysis
- Financial Analysis
- Recommendations

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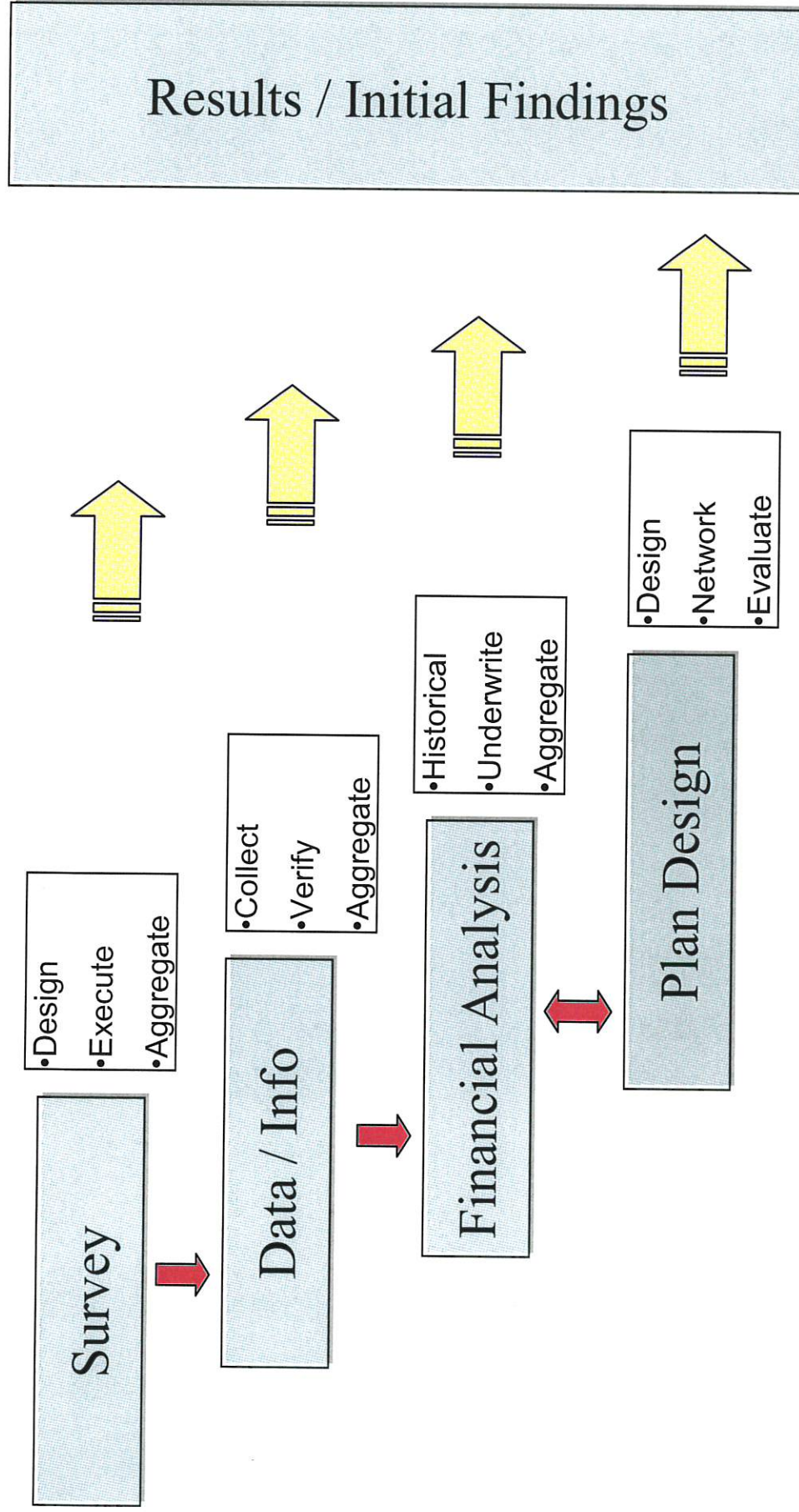
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Feasibility Analysis

Peer Group Observations

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Peer Group Observations Process



Peer Group Observations

Survey Results

- **Results:**
 - Potential Pool Size: 3,750 employees
 - Interest Level: 2/3 High, 1/3 Mid
 - Significant interest in High Deductible Health Plan, consumerism models
 - Driving Factor of Interest: Cost Containment
 - Current Plan Designs: PPO – 63%
 - Funding: 1/2 self-funded, appetite for risk is low

Peer Group Observations

Survey Results

- **Objectives of Benefit Pool:**
 - Cost containment (100% of respondents)
 - Choice - more options for employees (2/3 of respondents)



Peer Group Observations

Survey Results

- **Success Factors:**
 - Network Access for employees in all locations
 - Minimum: same as current access
 - Goal: 100% access
 - Plan Design Flexibility
 - Evaluation of Risk (Claims Experience)
 - Financial Impact
 - Current Short term
 - Long term viability

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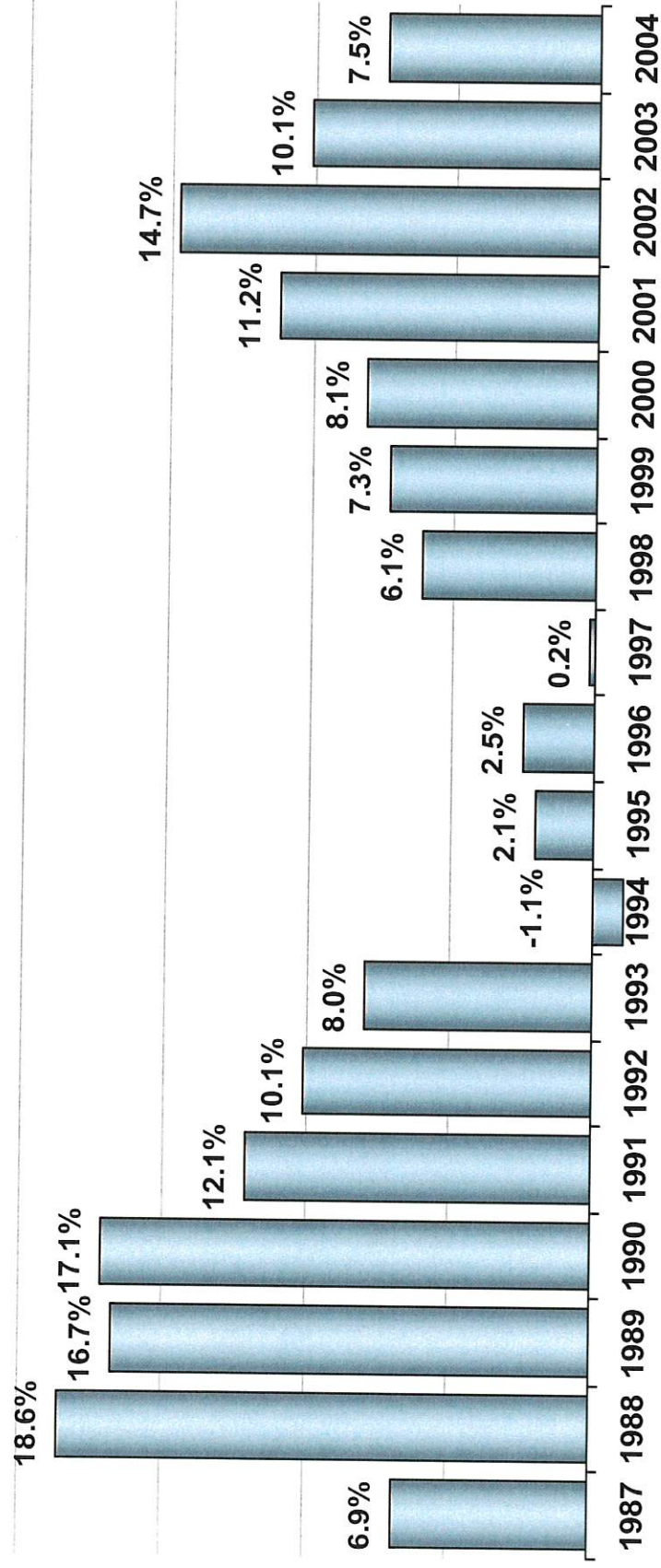
Feasibility Analysis

Executive Summary

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Executive Summary

Trends in Healthcare - Double Digit Increases Continue



Executive Summary

Trends In Healthcare

- Cost Shifting: HSA's and Consumer Driven Healthcare Plans
- Creative Approaches emerge
 - Groundswell to Pooling
 - Reducing Costs without Shifting Costs
- Enabling Legislation has allowed Public Entities to Pool
- Utah passed bills to allow group purchasing
- Federal Legislation Pending: Association Health Plans

Executive Summary

Key Findings

- Results of the Feasibility Analysis reveals a foundation on which to form a Health Insurance Benefits Pool for members of the Utah Counties Insurance Pool.
- **Key Findings:**
 - Consensus on main objectives of a benefits pool
 - Plan designs, while varied, offered no surprises. Relatively standard designs across all counties. Fully Insured and Self Funded plan designs similar. Over ½ have same plan design
 - There are viable network options which will lead to good coverage for employees and competition when marketing the program
 - Cost Savings vary by county. Potential for substantial claim savings through control and plan design options. Short term costs may be offset by long term savings
 - Design of pool and level of participation will impact financial success of pool

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Feasibility Analysis

Plan Design Analysis

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Plan Design Analysis

Carriers / Networks Offered

- Carriers
 - 2 counties offer IHC
 - 6 counties offer PEHP
 - Options for single network offered
 - 9 counties offer UGLT (administered by PEHP)
 - Others: Regence, EMIA, CBSA, MBA
 - PEHP Plans special notes:
 - Allow an “exclusive” network option: 3 Altius, 8 IHC
 - Majority offer two plan designs (9)

Plan Design Analysis

Carriers / Networks Offered

■ Network Use:

Carrier	Network	% of Employees	% of Counties
PEHP	IHC / Non-IHC	55%	63%
IHC	IHC (includes network access through other vendor)	44%	42%
Altius	Non-IHC (includes network access through other vendor)	10%	13%
Regence	Non-IHC	8%	4%
Other	IHC similar	9%	4%
Other	Non-IHC	5%	8%

50% of counties currently offer more than one plan option

Total is greater than 100% due to carrier and network overlap

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Plan Design Analysis

Carriers / Networks Offered

- Future Network:
 - Access (up to 100%)
 - Disruption (varied dependent on selected network and county)
 - Likely Limited Option to One Network
 - Possible to have dual choice networks, but this may raise concern regarding risk pool
 - Number of options may depend on administrator chosen in phase 2

Plan Design Analysis

Primary Care Physician Copayments by Type of Plan

- HMO Plans (few counties offer HMO plans) [no out of network benefit]
 - Plans have deductible and \$20 co-payments
- PPO Plans (all counties offer PPO plans) [allow out of network benefits]
 - Plans have \$15 and \$20 copayments
 - Majority of counties offer PPO benefits (allow out of network benefits), but at HMO-type coverage levels (\$0 deductible for in-network benefits)

Plan Design Analysis

Current Design

■ Comparison of Current Designs

	<u>Range</u>	<u>Most Common</u>
– Deductible	\$0 - \$500	\$0
– Out of Pocket	\$1,000 - \$1,500	\$1,500
– Coinsurance	10% - 30%	10%
– Office Visit	\$15 - \$20	\$20
– Rx: Generic	\$7 - \$10, 20%	20%
– Rx: Brand	20% - 50%	50%
– Rx: Non-Formulary	35% - 50%	50%

Above is a summary of most common benefits in various county plans. The list is not all inclusive, but is a fair representation of the current situation.

Plan Design Analysis

Possible Future Design

- Options for Future Plan Designs
 - Size of Pool dictates, in part, the possible options
 - Estimated pool size 2,000 – 4,000 employees
 - Risk of Pool: similar risk across all counties (age)
 - Possible to offer one, two, or three benefit plan options (pool has 3, each county selects which to offer)
 - HMO: \$0 Deductible, No Non-network benefit
 - PPO: Low-Mid Deductible (\$250 - \$300), Non-network benefit
 - HDHP: High Deductible (\$1100+), HSA compliant

Determination of the best plan configuration will be part of phase 2

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Feasibility Analysis

Access / Network Analysis

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Access / Network Analysis

- Cursory review to determine if there are viable markets
 - Detailed analysis occurs in Phase 2 (Program Design)
- Available markets include current access standards
 - High access standard for rural areas
- IHC, Altius, United Healthcare, PEHP offer good access - up to 100%
 - May need further development
- Not yet determined if all available markets will play

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Financial Analysis

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Financial Analysis Summary

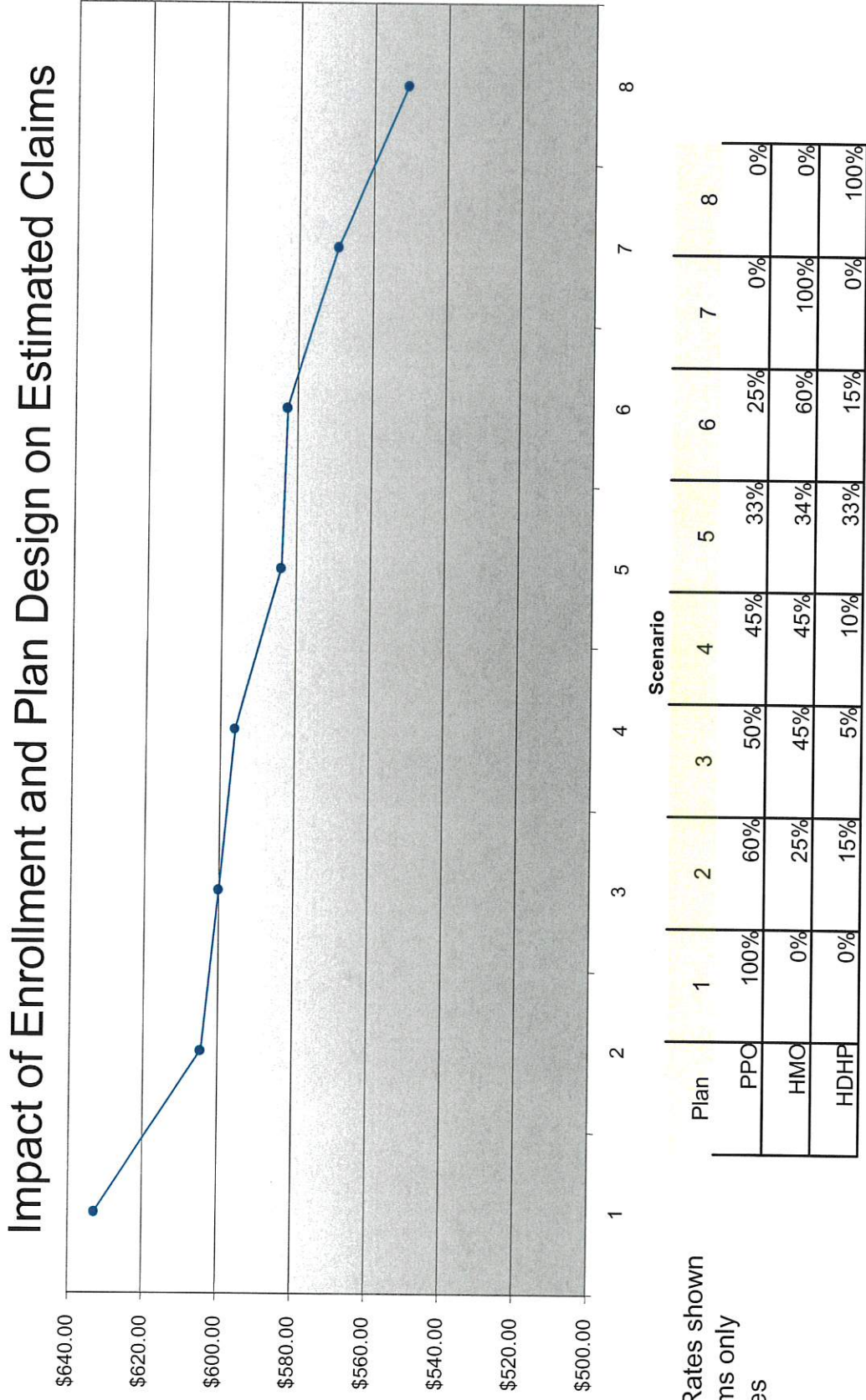
- Historical mix of fully-insured and self-funded
- Incurred But Not Reported (IBNR) Analysis Not Conducted
 - Interest on Reserve not included in analysis
- Projected Potential Fixed Cost
 - Savings based on administrator chosen in phase 2
- Financial cost of claims can be lower by 5% - 15%
 - Actual cost reduction will depend on final plan design and enrollment.
- Total Claim Cost Reduction not Calculated
 - Assumed claims cost reduction will be a function of plan design options selected and enrollment in each

It is assumed that the UCIP Benefits Pool would not pay run-out claims for current self-funded counties

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Financial Analysis

Medical Cost Comparison



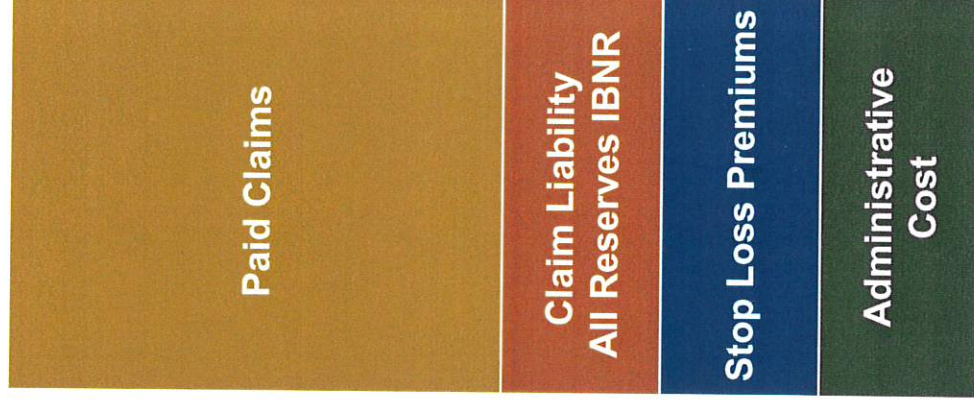
Financial Analysis

Current Medical Plans

21 Employers = 3,750 Employees

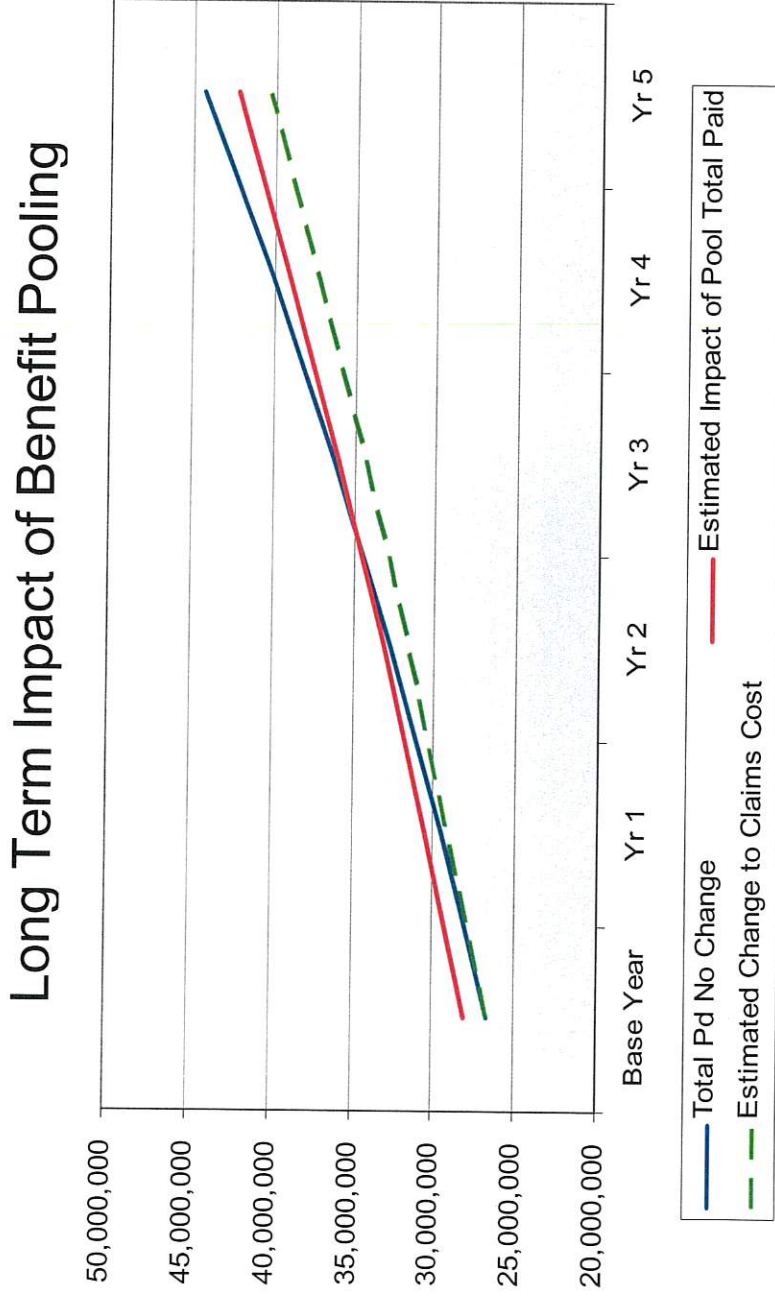
2004 Annual Costs₁ = \$26,650,000

¹ 2004 costs based on premium, claims and estimated admin



Financial Analysis

Medical Cost Comparison



Pool estimated to reduce claims trend approximately 2%
Estimates do not include plan change impact. Assumes 2004 experience as base year

Financial Analysis

Pool Cost Summary

- Rx Purchasing Group – Possible revenue source
 - Marsh Group agreements with 7 Pharmacy Benefit Managers (PBM)
 - Increased rebates to UCIP / Counties
 - Distribution of rebates determined by UCIP

Financial Analysis

Pool Cost Summary – UCIP Benefits

- Financial Benefits to UCIP
 - Pay to Play
 - Interest of Reserve
 - Rx Purchasing Rebates
- Non-Financial Benefits to UCIP
 - Attract Members
 - Engagement
 - Increase Choice
 - Future Options
 - Greater Control over Future costs

Financial Analysis

Final Thoughts

- **DATA IS CONTROL!**
 - 20/85 Rule: 20% of your population drives 85% of your claims
 - Ongoing detailed claims utilization analysis will identify those trends driving experience
 - Leads to better plan design, disease management programs, wellness programs, case management, predictive modeling
- Need to understand claims to control costs
- This is the power of Pooling

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Financial Analysis

Final Thoughts

- Carrier differences will drive claim assumptions
 - Carrier network discounts
 - Disease management/utilization management/predictive modeling assumptions/Consumerism
 - Trend
 - Large claim management
- IBNR interest earnings not factored into estimates
- Margins and profits remain in the pool
- Consider a long-term decision
- Pool Roll-out should be timed with county renewal dates
- Future surpluses can offset future increases

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Financial Analysis

Final Thoughts

- Cautions to Consider
 - Run-Out Liability (IBNR Reserves must be funded)
 - Not agreeing to work together
 - Options have increased, but Plan Design may not be as flexible
 - Perception, may not perceive pool as being competitive with other funding options
 - Utilized networks may cause disruption for some counties
 - Long Term Commitment to Pool

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Feasibility Analysis

Recommendations

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Recommendations

Summary of Recommendations and Next Steps

- Pool Participants
 - County must “opt in” for all medical benefits
- Design of Pool
 - Three plan designs to “choose” (one, two, all)
 - Pool determines “premium” for each plan
 - County free to determine employee contribution, funding
- Funding Requirements
 - Final determination required after Phase 2
 - Current Estimates

Recommendations

Summary of Recommendations and Next Steps

- Recommend moving to Phase 2 - Plan Design
 - Devise comparable plan designs
 - Determine optimum rating and funding arrangement
 - Determine “best fit” for vendor
- Conduct detailed network analysis
 - Proactively identify network gaps and build strategy to address
- Financial considerations
 - Capitalization requirements
 - Pay to Play estimates, 3-year “risk adjustments”
 - Accessibility of members

Recommendations

Possible Pool Design

County Expenditures

HMO Premium	PPO Premium	HDHP Premium
Risk Factor Adjustment		
"Buy – In" Fee		

County Responsibility

Employer Financing Strategy (HRA / HSA / etc.)		
HMO Employee Contributions	PPO Employee Contributions	HDHP Employee Contributions
Communication to Employees		
Employee Enrollment		

Recommendations

Possible Pool Design

UCIP Expenditures

Paid Claims All Plans HMO/PPO/HDHP
Admin Cost Inc. Stop Loss Prem.
Professional Fees

UCIP Responsibility

Ideas for Funding Options		
HMO Funding Rates	PPO Funding Rates	HDHP Funding Rates
Renewal of Carriers / Vendors		
Evaluation of Carriers / Vendors		
General Employee Communication Materials		

Recommendations

Elements Critical to Success

- Commitment from key stakeholders
 - “Your Plan” mentality
- Clearly stated and realistic objectives
 - Short term and long term
- Established metrics for success
- Continual workgroup interface
- Tools, experience and information
- Design flexibility
- On-going utilization analysis

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Questions

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CEO REPORT

Report Date: June 20, 2005

Period covered by report: from June 3, 2005 to June 23, 2005

BOARD INFORMATION ITEMS

1. See attached list of Board training opportunities.
2. Attached is an article from *Business Insurance* in which I was interviewed to discuss, in part, your retreat.
3. UCIP sponsored the Treasurers' Affiliate annual meeting dinner on June 9.
4. CEO made a presentation to the Davis County Leadership on June 15. Title was A Brief Primer on UCIP.
5. CEO, Loss Control Manager, and Trustees McConkie, Baker and Sundberg attended the PRIMA Conference.

CLAIMS

1. Workers' Compensation claims summary is attached. Page one summarizes all claims year to date. Page two has claims for 2005. Gross claims development through the first five months of 2005 is at 12.8% loss ratio, which is very favorable.
2. Multiline claims report is attached. For the current year we are at a 28.16% loss ratio, which is very good considering the two large property losses we've experienced this year.

TRAINING

2005

September 21-23, 2005

**Special AGRIP Joint Conference with California Association of Joint Powers
Authorities-Lake Tahoe, CA**

Note: Conflicts with USACC Meeting

November 14-16, 2005

AGRIP Governance Conference-San Antonio, TX

2006

March 6-8, 2006

AGRIP Spring Conference-Tampa, FL

April 23-27, 2006

RIMS Conference-Honolulu, HI

June 12-14, 2006

PRIMA Conference-Las Vegas, NV

October 9-11, 2006

AGRIP Governance Conference-New York City

UTAH COUNTIES INSURANCE POOL
Workers' Compensation Report
This Year as of 5/31/05

COUNTY	PREMIUM 2005	NUMBER of CLAIMS YTD				TOTAL PAID	TOTAL RESERVES	TOTAL INCURRED	LOSS RATIO
		Medical Only		Indemnity					
		Open	Closed	Open	Closed				
Cache	\$96,747	7	8	0	0	\$5,225	\$3,137	\$8,362	8.64%
Carbon	\$90,781	1	7	0	0	\$1,559	\$149	\$1,707	1.88%
Daggett	\$23,010	0	1	0	0	\$447	\$0	\$447	1.94%
Duchesne	\$49,837	0	1	0	0	\$0	\$0	\$0	0.00%
Emery	\$49,785	0	3	1	0	\$3,254	\$2,217	\$5,471	10.99%
Garfield	\$27,654	1	1	1	0	\$7,818	\$11,842	\$19,659	71.09%
Grand	\$34,619	4	1	1	0	\$3,037	\$14,337	\$17,374	50.19%
Iron	\$74,232	4	8	0	0	\$1,802	\$1,809	\$3,611	4.87%
Juab	\$22,338	1	0	0	0	\$0	\$500	\$500	2.24%
Kane	\$26,694	3	1	0	1	\$3,932	\$3,187	\$7,119	26.67%
Millard	\$79,191	3	5	0	0	\$314	\$1,500	\$1,814	2.29%
Morgan	\$19,479	2	0	0	0	\$976	\$18,359	\$19,021	97.65%
Piute	\$5,678	0	0	0	0	\$0	\$0	\$0	0.00%
Rich	\$9,129	0	0	0	0	\$0	\$0	\$0	0.00%
San Juan	\$49,540	2	4	1	0	\$252	\$1,000	\$1,252	2.53%
Sanpete	\$21,183	0	0	0	0	\$0	\$0	\$0	0.00%
Sevier	\$24,491	0	2	1	0	\$699	\$2,027	\$2,474	10.10%
Summit	\$83,243	2	7	0	0	\$1,506	\$2,809	\$3,616	4.34%
Tooele	\$97,983	2	6	2	0	\$13,938	\$10,309	\$22,740	23.21%
Uintah	\$93,978	4	4	0	0	\$8,964	\$2,071	\$11,035	11.74%
Utah	\$187,031	12	12	0	1	\$5,478	\$17,227	\$22,705	12.14%
Wasatch	\$83,715	1	2	0	0	\$338	\$332	\$669	0.80%
Wayne	\$5,719	0	0	0	0	\$0	\$0	\$0	0.00%
Weber	\$370,776	20	13	3	0	\$20,553	\$39,398	\$59,951	16.17%
TOTALS	\$1,626,833	62	78	10	2	\$80,093	\$132,209	\$209,530	12.88%

UTAH COUNTIES INSURANCE POOL Workers' Compensation Report All Years as of 5/31/05

COUNTY	EFFECTIVE DATE	PREMIUMS		NUMBER of CLAIMS				TOTAL INCURRED		LOSS RATIO
		2004	2005	Medical Only	Indemnity	Open	Closed	2004	2005	
				Open	Closed	Open	Closed	as of 5/31/05		
Cache	7/1/2004	\$34,560	\$96,747	31	32	0	1	\$17,343	\$8,362	26.57%
Carbon	1/1/2004	\$90,781	\$90,781	17	33	0	1	\$66,206	\$1,707	74.81%
Daggett	1/1/2004	\$13,232	\$23,010	0	6	0	0	\$385	\$447	3.62%
Duchesne	1/1/2004	\$35,820	\$49,837	1	9	0	1	\$18,233	\$0	36.59%
Emery	1/1/2004	\$49,785	\$49,785	9	9	1	2	\$49,121	\$5,471	109.65%
Garfield	1/1/2004	\$22,047	\$27,654	2	7	1	0	\$3,671	\$19,659	84.36%
Grand	1/1/2004	\$25,504	\$34,619	7	8	2	0	\$2,423	\$17,374	57.19%
Iron	1/1/2004	\$62,704	\$74,232	22	34	0	3	\$24,901	\$3,611	38.41%
Juab	1/1/2004	\$23,557	\$22,338	3	4	0	0	\$4,262	\$500	21.32%
Kane	1/1/2004	\$10,547	\$26,694	8	4	0	0	\$1,716	\$7,119	33.10%
Millard	1/1/2004	\$54,271	\$79,191	11	20	0	1	\$16,201	\$1,814	22.75%
Morgan	1/1/2004	\$14,966	\$19,479	6	2	0	0	\$2,622	\$19,021	111.11%
Piute	2/1/2004	\$3,800	\$5,678	0	0	0	0	\$0	\$0	0.00%
Rich	2/1/2004	\$4,085	\$9,129	0	0	0	1	\$21,744	\$0	238.19%
San Juan	1/1/2004	\$26,820	\$49,540	5	30	2	3	\$40,300	\$1,252	83.87%
Sanpete	1/1/2004	\$21,096	\$21,183	1	3	0	0	\$1,207	\$0	5.70%
Sevier	1/1/2004	\$21,791	\$24,491	3	18	1	3	\$33,284	\$2,474	146.01%
Summit	1/1/2005	\$0	\$83,243	15	10	0	0	\$0	\$3,616	4.34%
Tooele	1/1/2005	\$0	\$97,983	12	13	2	0	\$0	\$22,740	23.21%
Uintah	1/1/2004	\$80,020	\$93,978	18	30	0	2	\$38,043	\$11,035	52.22%
Utah	4/1/2004	\$126,850	\$187,031	42	80	1	6	\$87,592	\$22,705	58.97%
Wasatch	1/1/2005	\$0	\$83,715	3	5	0	0	\$0	\$669	0.80%
Wayne	1/1/2004	\$5,719	\$5,719	0	1	0	0	\$140	\$0	2.45%
Weber	6/1/2004	\$178,296	\$370,776	102	58	4	0	\$20,106	\$59,951	21.59%
TOTALS		\$871,691	\$1,626,833	287	384	14	23	\$449,500	\$209,527	26.38%

UTAH COUNTIES INSURANCE POOL
Multiline Claims Report
YTD as of 5/31/05

COUNTY	PREMIUM	NUMBER of CLAIMS YTD		TOTAL PAID	TOTAL RESERVES	TOTAL INCURRED	LOSS RATIO
		Open	Closed				
Beaver	\$60,785	0	2	\$2,596	\$0	\$2,596	4.27%
Box Elder	\$164,995	2	3	\$546,901	\$86,136	\$633,037	383.67%
Cache	\$198,563	3	2	\$12,994	\$53,442	\$66,436	33.46%
Carbon	\$137,757	1	0	\$764	\$1,236	\$2,000	1.45%
Daggett	\$40,545	3	0	\$6,307	\$30,293	\$36,600	90.27%
Davis	\$367,700	4	2	\$3,743	\$11,410	\$15,153	4.12%
Duchesne	\$119,255	2	1	\$25,568	\$3,432	\$29,000	24.32%
Emery	\$158,062	0	1	\$1,785	\$0	\$1,785	1.13%
Garfield	\$59,922	0	4	\$6,910	\$206	\$7,116	11.88%
Grand	\$91,290	0	0	\$0	\$0	\$0	0.00%
Iron	\$153,363	3	0	\$0	\$5,500	\$5,500	3.59%
Juab	\$107,247	0	0	\$0	\$0	\$0	0.00%
Kane	\$74,072	2	0	\$0	\$3,500	\$3,500	4.73%
Millard	\$138,163	2	0	\$0	\$15,800	\$15,800	11.44%
Morgan	\$48,361	0	0	\$0	\$0	\$0	0.00%
Piute	\$22,232	0	0	\$0	\$0	\$0	0.00%
Rich	\$44,226	0	0	\$0	\$0	\$0	0.00%
San Juan	\$149,487	0	0	\$0	\$0	\$0	0.00%
Sanpete	\$61,977	1	1	\$0	\$20,000	\$20,000	32.27%
Sevier	\$83,927	3	0	\$0	\$7,000	\$7,000	8.34%
Tooele	\$182,679	5	2	\$1,367	\$204,859	\$206,226	112.89%
Uintah	\$187,388	3	3	\$6,850	\$5,000	\$11,850	6.32%
Utah	\$442,324	4	8	\$16,990	\$22,142	\$39,132	8.85%
Wasatch	\$197,895	0	1	\$1,335	\$0	\$1,335	0.67%
Washington	\$230,845	1	1	\$1,879	\$20,000	\$21,879	9.48%
Wayne	\$40,409	0	0	\$0	\$0	\$0	0.00%
Weber	\$518,721	5	4	\$5,533	\$6,179	\$11,712	2.26%
Tri-County	\$8,500	0	1	\$16,164	\$0	\$16,164	190%
Weber-Morgan	\$14,810	0	1	\$2,106	\$0	\$2,106	14%
TOTALS	\$4,105,500	44	37	\$641,524	\$496,133	\$1,155,926	28.16%

UTAH COUNTIES INSURANCE POOL

Multiline Claims Report

All Years as of 5/31/05

	Number of Claims		Total Incurred														Total
	Open	Closed	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
Beaver	2	73	1,454	2,972	7,397	7,953	30,644	15,356	11,783	28,952	10,862	26,351	11,311	6,906	26,534	1,774	190,325
Box Elder	7	225	7,960	153,460	53,712	51,568	11,367	23,292	10,189	3,262	115,023	48,523	277,398	79,355	24,283	634,416	1,494,040
Cache	9	260	223,764	274,008	140,866	28,527	81,914	35,366	16,318	17,547	93,369	211,886	62,267	56,865	110,862	67,436	1,421,264
Carbon	0	58	0	0	0	0	0	0	121,825	30,953	2,389	355,226	22,243	18,193	6,189	764	557,839
Daggett	2	15	0	0	0	0	0	0	0	0	2,337	0	23,500	47,760	57,189	38,004	168,807
Davis	19	629	73,363	256,424	223,267	111,543	243,774	382,198	71,179	128,725	62,674	134,562	130,552	140,466	142,162	19,515	2,121,052
Duchesne	7	143	22,926	76,176	20,774	24,684	13,122	41,632	7,319	56,518	0	49,719	41,242	170,848	44,130	30,054	599,294
Emery	1	102	82,379	32,961	83,281	8,032	29,143	50,376	23,305	7,079	6,044	6,793	12,759	195,526	24,172	1,785	563,736
Garfield	1	37	5,000	938	2,477	33,445	10,104	0	9,873	0	295	0	14,785	11,963	11,640	10,168	110,727
Grand	4	114	6,812	43,012	2,938	2,947	60,804	714	30,145	19,438	48,608	21,713	2,336	132,173	8,620	0	380,377
Iron	12	128	911	289,361	128,551	14,643	2,917	8,793	96,256	4,339	19,653	70,040	95,048	41,919	35,121	5,500	813,192
Juab	1	47	0	41,000	67,707	5,631	22,838	17,236	172,902	5,501	16,155	33,471	14,661	140	584	0	397,873
Kane	3	55	0	0	7,777	6,992	4,493	0	135,261	4,143	22,024	14,790	28,992	22,578	38,801	4,000	289,908
Millard	4	143	0	2,669	21,738	90,408	40,832	8,821	99,179	22,767	42,468	10,134	40,487	21,171	29,980	16,122	446,924
Morgan	3	10	0	0	0	0	0	0	0	0	0	0	0	0	43,621	0	43,621
Piute	1	4	0	0	0	0	7,174	0	0	0	0	6,875	20,000	0	0	0	34,053
Rich	2	14	777	800	1,630	5,788	1,947	0	10,407	290,000	849	0	480	0	16,000	0	328,694
San Juan	3	149	52,355	21,010	8,957	58,771	19,226	5,522	94,754	40,475	27,928	40,922	4,017	52,676	482,415	0	909,180
Sanpete	5	97	79,147	15,711	17,474	97,040	5,299	1,776	2,075	28,068	32,904	17,424	26,932	11,869	1,006	20,300	357,128
Sevier	5	98	7,604	8,879	22,863	7,316	2,837	14,415	16,907	1,530	14,861	2,434	223,746	6,976	41,358	7,000	378,831
Tooele	5	100	42,882	215,726	75,689	29,067	0	0	0	0	0	0	0	0	41,467	202,331	607,267
Utah	13	181	185,199	39,623	202,953	46,706	61,641	84,256	40,240	76,638	6,349	59,110	217,791	106,985	105,022	14,397	1,247,104
Utah	29	541	154,286	125,687	191,225	152,602	134,502	184,695	281,890	104,271	111,597	340,515	26,186	201,116	274,994	83,015	2,367,149
Wasatch	8	111	15,946	17,620	160,236	53,121	74,388	382,315	3,649	181,369	14,758	32,988	138,249	47,161	55,533	1,335	1,178,785
Washington	13	273	165,231	64,911	112,514	53,944	41,792	7,024	169,317	159,102	14,761	53,525	41,890	171,515	106,933	31,979	1,194,723
Wayne	1	14	1,202	0	202	0	23,831	569	23,849	0	0	0	55,786	644	0	0	106,099
Weber	18	347	0	0	0	0	0	0	39,412	437,888	512,219	612,488	77,581	229,908	481,689	18,633	2,410,183
Bear River	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1,692	0	1,692
Central	0	1	0	0	0	0	0	0	0	0	0	0	0	3,312	0	0	3,312
TriCounty	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,164
Weber-Morgan	0	4	0	0	0	0	0	0	0	0	0	0	0	0	978	2,106	3,088
Total	178	3,975	1,129,196	1,682,947	1,554,228	890,728	924,589	1,264,357	1,488,033	1,648,565	1,178,127	2,149,488	1,610,240	1,778,024	2,212,976	1,226,798	20,742,431

UTAH COUNTIES INSURANCE POOL **Multiline Claims Report** All Years as of 5/31/05

Premiums															Loss Ratio
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total	
52,448	59,488	62,415	58,398	59,350	57,972	60,076	62,378	65,378	69,954	68,196	70,907	70,907	60,785	878,651	22%
147,397	154,421	161,435	171,728	205,051	199,334	192,759	173,386	169,078	167,505	164,987	160,800	163,471	164,995	2,396,347	62%
141,388	148,126	155,132	182,941	217,715	222,812	217,311	201,590	194,768	194,552	187,070	198,194	211,900	198,563	2,672,062	53%
						19,538	78,156	77,154	82,555	95,953	111,413	119,539	137,757	722,065	77%
203,457	213,153	222,835	258,907	281,131	301,205	314,277	323,357	345,992	370,211	431,197	430,230	430,230	367,700	4,493,882	47%
89,256	93,510	97,757	91,464	95,455	98,610	99,079	99,203	104,173	111,465	114,153	94,179	119,029	119,255	1,426,587	42%
180,429	189,028	197,613	223,434	227,427	218,543	207,432	190,885	177,523	165,096	158,320	163,980	163,980	158,062	2,621,752	22%
47,724	49,998	52,269	59,711	64,768	69,109	66,532	62,825	64,368	64,364	64,670	68,171	68,171	59,922	862,602	13%
74,960	78,532	82,099	86,330	87,925	93,663	92,749	86,681	83,415	81,599	81,159	92,354	92,354	91,290	1,205,110	32%
101,817	106,669	111,514	130,435	168,363	166,260	159,345	147,452	143,039	140,837	138,724	138,399	151,767	153,363	1,957,984	42%
	7,091	66,963	76,026	82,413	87,377	86,154	82,601	88,383	94,570	103,685	115,543	121,785	107,247	1,119,838	36%
30,904	65,070	69,654	65,171	66,234	64,211	61,361	55,592	58,795	62,911	68,292	75,166	80,309	74,072	897,743	32%
	93,012	97,237	90,977	92,461	94,236	97,684	98,702	105,566	112,956	129,444	145,870	145,870	138,163	1,442,179	31%
											55,504	55,504	48,361	159,370	27%
13,802	14,460	15,116	14,144	14,375	15,436	16,688	17,502	18,727	20,038	21,479	24,950	24,950	22,232	253,899	13%
35,000	36,668	38,333	35,866	36,451	38,797	38,492	36,229	35,251	37,073	36,931	42,009	44,138	44,226	535,464	61%
85,264	89,327	93,384	106,680	108,595	115,861	120,895	126,700	133,907	143,280	149,915	165,655	165,655	149,487	1,754,605	52%
72,363	75,812	79,255	90,537	101,226	97,316	92,364	86,520	83,655	80,766	79,315	82,776	82,776	61,977	1,166,657	31%
70,103	73,444	76,780	71,836	73,007	79,236	74,564	71,331	70,543	73,361	74,030	81,720	84,987	83,927	1,058,870	36%
161,445	169,139	176,821	203,375								182,679	182,679	182,679	1,076,138	56%
95,690	100,250	104,804	124,631	161,373	172,929	181,084	190,368	182,821	189,386	184,522	184,482	184,482	187,388	2,244,211	56%
183,749	197,906	207,163	238,272	274,562	303,934	317,837	323,894	346,567	370,827	414,951	466,001	490,563	442,324	4,578,550	52%
73,708	77,242	80,750	91,302	108,024	116,718	122,586	126,649	125,797	134,603	158,244	178,120	178,120	197,895	1,769,758	67%
124,196	130,115	136,025	158,044	193,030	195,913	201,767	180,979	176,172	176,543	183,409	234,403	241,739	230,845	2,563,179	47%
24,441	33,623	35,549	33,261	33,803	36,176	37,696	39,475	40,968	41,209	39,014	40,448	42,293	40,408	518,364	20%
						131,874	219,831	235,219	251,684	392,513	451,062	451,062	518,721	2,651,967	91%
											8,979	17,957	17,957	44,893	4%
											5,393	10,785	10,785	26,963	12%
											4,629	8,500	8,500	21,629	75%
											7,405	14,810	14,810	37,025	8%
2,009,541	2,256,084	2,420,903	2,663,470	2,752,739	2,845,648	3,010,144	3,082,286	3,166,759	3,274,080	3,576,825	3,939,994	4,262,104	4,134,242	43,394,819	48%

Public entities search below the news radar

By DAVE LENCKUS

Top executives at several government insurance pools are looking at the world and risks around them a little differently these days.

Inspired by a presentation held during a two-and-a-half-day conference last summer, the executives are now engaging in "environmental scanning": analyzing news stories and speeches more extensively for future issues and trends that could have implications for their pools.

The goal—as envisioned by executives with the pools' association group, a pair of futurists and a management consultant—is to help shift more of the pool executives' focus

from logistical planning, or how things are done, to strategic risk planning, or what those actions mean for an organization's future.

"Strategic planning is one of those skills we can all use some continuing education on in the course of our careers," said David Mair, area vp-public and nonprofit division at Arthur J. Gallagher & Co. of Itasca, Ill. Mr. Mair and representatives of Washington-based Leading Futurists L.L.C. demonstrated how environmental scanning could aid in strategic risk planning during a conference conducted last summer by the Prague, Okla.-based Assn. of Governmental Risk Pools.

Pool members already are begin-

Reading beyond the headlines

The top 10 trends identified by the Assn. of Governmental Risk Pools through environmental scanning:

1. Pricing pressure for coverage from the commercial market
2. An aging pool leadership giving way to a new generation
3. The targeting of pool members by retail brokerages and commercial insurers
4. An aging population
5. A reduction in government resources
6. The anticipation of higher attachment points for health insurance stop-loss coverage
7. The need for more technological capabilities
8. Rising workers compensation and medical costs
9. The inability to find insurers and reinsurers to work with
10. The erosion of public entity immunity

ning to use environmental scanning in their future planning. For example, more extensive analyses of health care trends and the aging population are playing into some organizations' strategic plans.

The pools typically cover property, general liability, automobile and workers compensation risks and, sometimes, public officials errors and omissions and police professional liability risks.

The concept of environmental scanning has been around for several years, but the notion of using it as an aid in strategic planning is relatively recent, according to Jennifer

See AGRIP / page 18

18 / Business Insurance

Spotlight

June 6, 2005

AGRIP: Public entities search news coverage to help determine future trends

Continued from page 11

Jarratt, a principal at Leading Futurists.

Before AGRIP arranged the program for its August 2004 Institute for Leadership & Management, the problem was not that pool executives were unaware of developments locally, nationally or around the world, according to attendees.

Most pool executives are "voracious readers," noted Lester Nixon, chief executive officer of the Utah Counties Insurance Pool in Salt Lake City, adding that he is, as well. But Mr. Nixon said he previously had not read "with scanning in mind."

Michael Rhyner, AGRIP's presi-

dent and the executive director of the Michigan Municipal Risk Management Authority in Livonia, Mich., concurred. "Before, we took it all in, but what are we doing with it?" he asked.

Means to an end

Those who engage in environmental scanning "explore" news media reports as well as presentations by public speakers more deeply than would the casual observer, explained John B. Mahaffie, another principal with Leading Futurists.

A key aid is the use of a futures wheel, a technique in which an issue

identified in a media report or speech is graphically displayed as the hub of a wheel, Mr. Mahaffie explained. The future implications of the identified issue represent the first circle around the hub.

But the process should not end there, Mr. Mahaffie said. The implications of that first set of implications should be analyzed as well, and they would be illustrated as a circle around the first circle. The analysis can be extended further, he noted.

Analyzing the implications of issues in such a way helps decision makers better understand those issues' potential impact on their orga-

nizations, Mr. Mahaffie said.

The benefit of environmental scanning for pool executives is that it helps them identify not only important issues for their organizations but also "all the pressures that influence risk in the world of government entities," Mr. Mair said.

The process is an exercise that executives should "internalize" as part of their daily routine, advised Ms. Jarratt. But she cautioned that they should bounce their observations off others who are outside their normal daily contacts—such as constituents or futurists—to help them expand their view.

The conference speakers got par-

ticipants looking at the larger consequences of issues "as soon as you get up in the morning," Mr. Rhyner said.

"We need to be conscious that we're doing it," rather than reading or listening to media and other reports without formally considering the implications, Mr. Nixon said.

The technique "forces you to say what this means and what we can do about it," said Larry Bush, executive director of the Intergovernmental Risk Management Agency in Westchester, Ill.

Identifying issues

At last year's conference, 79 attendees participated in an environmental scanning exercise, during which they identified the 41 top trends affecting government insurance pools.

Topping the list was pressure on pricing, which AGRIP CEO Harold Pumford explained referred to the rate pressure that pools feel during a softening property/casualty insurance market. Other identified top trends include an aging population, reduced government resources, the increasing need for greater technological capabilities, rising workers comp costs and the erosion of public entity immunity.

The pool executives then were en-

to strategic risk planning as "a jumping-off point for their own planning," Mr. Pumford said. He noted that, on their own, pools likely would identify other top trends or prioritize them differently.

During the conference, Mr. Mair assisted the pool executives in understanding how to translate the risks they identify through environmental scans into risk-focused strategic plans.

Among Mr. Mair's suggestions are:

- Extract research when possible from blogs, publicly accessible Web pages posted as personal journals or as communication tools for businesses.

- Understand the differences be-

AGRIP: Search for trends

Continued from previous page

Pool executives say that, since the conference, they have been preparing to use what they learned as they consider modifications to their organizations' strategic risk plans.

Mr. Nixon said that the conference has helped him analyze reports on health insurance in preparation for the Utah pool's decision on whether to offer a health insurance product.

At its scheduled two-day retreat last week, Mr. Nixon planned for the

JOINT POLICY COUNTY REPRESENTATION TO UCIP

The Utah Counties Insurance Pool Board of Trustees hereby adopts the following policy regarding employees of member counties designated to act on behalf of their respective county in matters involving the member county and UCIP.

Representative, or Member's Official Representative – This position and its duties are prescribed in UCIP's Bylaws. The position must be filled by an elected or appointed officer or employee of the Member and must be appointed by the governing body or by the County Executive, or County Mayor. The basic duty of the Representative is to represent and vote on behalf of the Member at UCIP Membership meetings.

Risk Manager for the Multiline Risk Management Program – Requirement 1.1 of the Multiline Risk Management Program. This individual must be appointed by the governing body of the member and is the primary liaison to UCIP Loss Control staff for achieving credit through the Multiline Risk Management Program.

Safety Officer or Coordinator – Requirement 1.1 of the Workers' Compensation Risk Management Program. This individual must be appointed by the governing body of the member and is the primary liaison to UCIP Loss Control staff for achieving credit through the Workers' Compensation Risk Management Program.

County Insurance Coordinator or County Risk Manager – This individual is the primary liaison between the member and UCIP staff for exposure information necessary for underwriting, claims administration and follow-up, general information distribution between the member and UCIP and vice versa, and is the person designated to achieve the credit available through the Risk Management Certification program. The member governing board must appoint an individual to this position.

Workers' Compensation Coordinator – If the County Insurance Coordinator or Risk Manager does not have responsibility for Workers' Compensation, the individual charged with that duty may attend two of the four training sessions necessary for Risk Management Certification and the County Insurance Coordinator or Risk Manager may attend the other two as a way of qualifying for the credit. The member governing board must appoint the Workers' Compensation Coordinator.

The UCIP member has responsibility to make appointments to the above positions. The member may appoint one individual to all, or any combination of employees in order to fill each post. UCIP staff will utilize the most recent advisement from the member as the appropriate contact for each area. In the case of Member's Official Representatives, UCIP Bylaws will always prevail.



Utah Counties Insurance Pool
Serving Counties Since 1992

UCIP
PLANNING
DOCUMENT

Begun on June 6-7, 2003
Revised on June 3-4, 2004
Revised on June 2-3, 2005

PLAN

Originally developed by the Utah Counties Insurance Pool Board of Trustees, the Business Plan is intended to provide direction for the Pool over the next five years. The Plan will be reviewed and updated by the Board as appropriate.

Mission Statement

UCIP is committed to meet members' needs for quality insurance at competitive, responsible, and stable cost, and to assist members with improving their risk management practices.

PRINCIPLES AND BELIEFS

- Coverage provided is a promise to pay.
- We look for ways to cover claims, not to deny them.
- To provide as broad coverage as prudence will allow.
- Coverage is open to Utah Counties and those County-related entities over which the County governing body exercises dominant control.
- Pool funds belong to the members.
- The Pool Board is trustee of the members' funds.
- We seek to maximize the value of funds but follow conservative fiscal practices.
- Business is conducted with integrity.
- The best interest of the Pool prevails, always.
- Consistent due diligence is given for all members and issues.
- Member input is sought and encouraged.
- Full disclosure in all communications.
- Services are responsive and respectful.

Situational Analysis

These are our assumptions about the future of UCIP, our Member Counties, and the populations served by our Members. We will monitor these assumptions to identify trends as they develop and needs as they arise so UCIP may respond appropriately.

Economic

- Tight budgetary constraints on members.
- Increasing pressure from taxpayers to reduce taxes.
- Wasatch-front counties versus the rest of Utah.
- We must be aware of the different economic dynamics between and among the urban, urbanizing, and rural areas of the state.

Political/Regulatory

- Reduced funding available from State and Federal government
- Increasing number of federal and state mandated programs, causing increasing budgetary pressures on our members.
- UCIP needs to stay abreast of state and federal legislation and regulation.

Demographics

- Aging of the post-World War II generation (birth years 1946-1964) will affect supply and demand of age-related services.
- Utah population is increasing and diversifying statewide.

Knowledge

- Members rely on UCIP to inform them about risk management, legal trends, and best practices.
- Members like owning the Pool.
- Members look to UCIP to deliver new programs.

Social Values

- Greater emphasis on the value of time.
- Need for customized “answers”.

Insurance and Pooling Industry

- Increased potential for competition in 2005.
- Reinsurance market is loosening in 2004-2005.

Technology

- Need ready and cost effective access to information
- Examine cost-effective alternatives to on-site meetings.
- Examine the latest innovations in training for cost effectiveness.
- Maintain attention on security.

Staff

- Retain qualified staff.
- Need to support continuing education and personal growth.

Key Success Factors

Development of assumptions leads to emphasizing certain key factors for operations of the pool over the next 5 years.

- Focusing on customer needs and expectations.
- Providing efficient operations and service delivery.
- Assist individual counties with risk management training.
- Fair and equitable allocation of contribution.
- Broaden participation in the pool by all Utah Counties and appropriate related entities.
- The Pool is first choice for value in coverage and service.
- Define our relationship with UAC.
- Board members and staff pursue technical and skill development opportunities.
- Establish meaningful and profitable alliances, whenever feasible.
- Making UCIP products and services value-added for members, assuring excellence in a competitive marketplace.
- Effectively using technology to enhance efficiency and effectiveness in all areas.

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GOALS

1. Determine permanent location of UCIP.
2. Explore employee benefits coverage for members.
3. Increase member participation in the Risk Management Program.
4. Provide training and education opportunities for members, Trustees, and staff.
5. Benchmark UCIP's performance with that of other pools in the region.
6. Devise incentive program for Workers' Compensation.

ACTION PLAN

Description

The Plan must be adaptable due to changing circumstances within and outside UCIP.

The goals developed are expanded to include:

STRATEGIES-Individual achievements targeted for short-term (less than 18 months) and long-term (18 months to 5 years) timeframes, not in order of priority

PERFORMANCE INDICATORS-Describing specific measurable actions that will be undertaken to carry out the strategies

GOAL #1

Determine permanent location of UCIP by November 1, 2005.

STRATEGIES

Short-term

1. Negotiate building sublease purchase agreement with UAC.
2. Determine cost of building out the basement at 5397 South Vine.
3. Study use and adequacy of building.

Long-term

1. Consider the effects of remaining at 5397 South Vine on UCIP assets and member relations.

PERFORMANCE INDICATORS

1. Perform market analysis to obtain comparables.
2. Evaluate lease/rent/purchase to determine rate of return.

GOAL #2

Explore employee benefits coverage for members and make decision by August 1, 2005.

STRATEGIES

Short-term

1. Explore partner opportunities with other providers.
2. Determine potential inventory of covered lives.

Long-term

1. Plan design and administration requirements.

PERFORMANCE INDICATORS

1. Prepare feasibility study by 1/1/05.

GOAL #3

Increase member participation and credits in the Risk Management Program.

STRATEGIES

Short-term

1. Notify County Commissioners of 2004 results.
2. Work with Insurance Coordinators to maximize 2005 results.

Long-term

1. Within 5 years, bring average award to 90% per member.

PERFORMANCE INDICATORS

1. Increase qualifiers to 25 by 2006.
2. Bring average award to 75% by 2007.

GOAL #4

**Provide training and education opportunities for members, Trustees, and staff.
Explore alternative methods of delivering training to members.**

STRATEGIES

Short-term

1. Set standards for:
 - a. How to accomplish
 - b. How often
 - c. Subject matters
 - d. Use of incentives for training
2. Examine internet, CD, and DVD formats.
3. Involve the Personnel Committee.

Long-term

1. Analyze training's effects on Pool loss experience.

PERFORMANCE INDICATORS

1. Analyze claims quarterly for claims trends that may indicate training needs.
2. Seek input from members at least annually.
3. Deliver report by June 30, 2006.

GOAL #5

Benchmark UCIP's performance with that of other pools in the region.

STRATEGIES

Short-term

1. Maintain net premium to surplus ratio at 2:1.
2. Determine benchmarks for
 - Litigation expense
 - Administration expense
 - Loss adjusting expenseusing CO, NV, AZ, NM pools

Long-term

1. Meet or exceed the benchmarks established.

PERFORMANCE INDICATORS

1. Set net premium to surplus at September meeting annually.
2. Obtain statistics from neighbor pools.

GOAL #6

Devise incentive program for Workers' Compensation.

STRATEGIES

Short-term

1. Build model based on Multiline incentive program.

Long-term

1. Obtain 90% participation in program by 2007.

PERFORMANCE INDICATORS

1. Implement program by 1/1/05.
2. Obtain 70% average award by 2006.

GOAL #5

Pursue replacement by Governor of official Protection and Advocacy System for advocacy of mental health patients.

STRATEGIES

Short-term

1. Work with Governor to provide results of current system.

PERFORMANCE INDICATORS

1. Achieve change by January 1, 2006.

Utah Counties Insurance Pool Payments June 4, 2005 - June 27, 2005

WF-Expense	Type	Date	Nun	Name	Memo	Split	Amount
Liability Check		6/14/2005		QuickBooks Payroll Service	Created by Payroll Service on 06/09/2005	-SPLIT-	-10,966.39
Paycheck		6/15/2005		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Charmaine G. Green	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Korby M. Sigard	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Lester J. Nixon	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Shelley Peck	Direct Deposit	-SPLIT-	0.00
Paycheck		6/15/2005		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Check	WIRE	6/15/2005		Marsh USA Risk & Insurance Services	TULLP Events	-SPLIT-	-275.00
Check		6/23/2005	2938	Kenneth Bischoff	Mileage Reimbursement	-SPLIT-	-110.86
Check		6/23/2005	2939	Kay Blackwell	Mileage Reimbursement	-SPLIT-	-46.95
Check		6/23/2005	2940	Ira Hatch	Mileage Reimbursement	-SPLIT-	-31.70
Check		6/23/2005	2941	Lynn Lemon	Mileage Reimbursement	-SPLIT-	-262.97
Check		6/23/2005	2942	Davis Courty	Mileage & Expense Reimbursement for Steve Baker	-SPLIT-	-1,715.98
Check		6/23/2005	2943	Davis Conference Center	Personnel Workshop, May 12-13	-SPLIT-	-8,689.93
Check		6/23/2005	2943	Marsh USA Risk & Insurance Services	Invoice Number: 326294	-SPLIT-	-32,034.00
Check		6/23/2005	2944	Quintan Publishing Group	Order #: 15765012	-SPLIT-	-154.77
Check		6/23/2005	2945	Thompson Publishing Group, Inc.	Application Accreditation Fee	-SPLIT-	-418.50
Check		6/23/2005	2946	Blackburn & Stoll, LC	Statement No: 81225	-SPLIT-	-25.00
Check		6/23/2005	2947	Utah Association of Counties	Invoice Number: N/A	-SPLIT-	-1,204.50
Check		6/23/2005	2948	Utah Association of Counties	June 11 Event Premium Refund	-SPLIT-	-212.50
Check		6/23/2005	2949	Joseph Valdez	Invoice Number: 724 (First Quarter)	-SPLIT-	-7,517.98
Check		6/23/2005	2950	Christensen & Jensen	Invoice Number: 39920	-SPLIT-	-160.00
Check		6/23/2005	2951	Christensen & Jensen	Invoice Number: 39922	-SPLIT-	-158.00
Check		6/23/2005	2952	Kinko's	Account Number: 0000511812	-SPLIT-	-104.17
Check		6/23/2005	2953	Snelling Personnel Services, Inc.	Account Number: 20357-0000742	-SPLIT-	-17.50
Check		6/23/2005	2954	Office Depot	Account Number: 35538769	-SPLIT-	-1,068.21
Check		6/23/2005	2955	ilinc Communications	Statement Number: 1040361	-SPLIT-	-175.38
Check		6/23/2005	2956	Qwest	Account Number: 801-293-3098-606B	-SPLIT-	-30.65
Check		6/23/2005	2957	Utah Local Governments Trust	Customer Number: 1576.0 (JUL)	-SPLIT-	-265.76
Check		6/23/2005	2958	Verizon Wireless	Invoice Number: 1952401728	-SPLIT-	-6,308.39
Check		6/23/2005	2959	Verizon Wireless	Invoice Number: 1952691324	-SPLIT-	-32.50
Check		6/23/2005	2960	Verizon Wireless	Invoice Number: 1952401729	-SPLIT-	-31.95
Check		6/23/2005	2961	Gene Roundy	Mileage Reimbursement	-SPLIT-	-34.54
Check		6/23/2005	2962	Dan McConkie	Expense Reimbursement	-SPLIT-	-116.61
Check		6/23/2005	2963	Kent Sundberg	Expense Reimbursement	-SPLIT-	-93.12
Check		6/23/2005	2964	Red Cliffs Lodge	Invoice: 0399 & 0400	-SPLIT-	-1,083.59
Check		6/23/2005	2965	Positive Incentives	Invoice Numbers: 85138	-SPLIT-	-5,304.33
Check		6/23/2005	2966	Davis County	Expense Reimbursement for Dan McConkie	-SPLIT-	-22.00
Check		6/27/2005	2967	Wells Fargo	Account Number: 4856 2002 0789 0792	-SPLIT-	-1,228.70
Check		6/27/2005	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-273.81
Check		6/27/2005	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-448.20
Check		6/27/2005	VISA	Wells Fargo	Account Number: 4856 2002 0646 9788	-SPLIT-	-862.24
Check		6/27/2005	VISA	Wells Fargo		-SPLIT-	-1,343.90
Total WF-Expense							-82,830.58
WF-Work Comp Expense							
Check		6/10/2005	0059	BRF - Alternative Service Concepts	Voucher Number: 1395	Third Party Administrator ...	-998.03
Check		6/10/2005	0060	Alternative Service Concepts, LLC	Invoice Number: 0009982-IN	Third Party Administrator ...	-12,134.89
Total WF-Work Comp Expense							-13,132.92
TOTAL							-95,963.50

BOARD RETREAT JUNE 2006

Location	Accommodations	Rates	Amenities	Attractions	Activities
Bear Lake	Garden Gate Inn is the only possibility for 15 rooms, but it is up for sale. Located in Garden City	N/A	Conference Room- No restaurant. Nearby Caterers	Bear Lake National Wildlife Refuge, Bloomington Lake (glacial lake), Round Valley Ghost Town, Bear Lake Monster Tour, Minnetonka Cave,	Bear Lake Livery & Chuckwagon Adventures, sailing, waverunners, kayaks, paddle boats, canoes.
Park City/ Heber City	The Lodge at Stillwater over looking Jordanelle Reservoir or Homestead Golf Resort	\$79.00 - \$89.00	Conference Room- Onsite caterers	Utah Olympic Park, Egyptian Playhouse, Eccles Center, Shopping and art galleries.	Utah Olympic Park, Glider Flying, Heber City Railroad & Rafting Trip, balloon Rides.
Bryce Canyon	Ruby's Inn	\$85.00- \$110.00	Conference Room- Restaurant	Bryce Canyon!	Helicopter Ride, ATV rides, Cowboy Nights, Bryce Canyon Outfitters Chuck Wagon Dinner, hiking, nightly rodeo.
Monticello/ Blanding	Day's Inn (Monticello) Comfort Inn (Blanding)	\$50.00- \$70.00	Conference Room- Restaurant (Blanding Only)	Canyonlands	20 ATV trails escorted by the San Juan Safari guides!
Kanab	Shilo Inn & Holiday Inn Express	\$65.00 - \$90.00	Conference Room- No Restaurant. Nearby Caterers	North Rim of Grand Canyon, Bryce, & Zions.	Hiking, ATV tours, visiting Parks.

